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(WASHINGTON, DC) - Congressman Russ Carnahan's (MO-3) hard work to help keep struggling American families from getting overwhelmed with credit card debt paid off today with the passage of legislation to curb unfair and deceptive credit card lending practices. Carnahan is a proud cosponsor of the Credit Cardholders' Bill of Rights Act (H.R. 627).

"The Credit Cardholders' Bill of Rights is long overdue," said Congressman Carnahan. **"When so many American families are struggling to make ends meet, consumers who play by the rules deserve to be treated fairly by their credit card companies. That's what this bill is all about - fairness."**

This bill prevents card companies from unfairly increasing interest rates on existing card balances. Retroactive increases are permitted only if a cardholder is more than 30 days late, if a promotional rate expires, if the rate adjusts as part of a variable rate, or if the cardholder fails to comply with a workout agreement.

"Currently consumers looking for credit must accept incomprehensible agreements that credit card companies revise at will,"

said Carnahan. The bill requires card companies to give 45 days notice of all interest rate increases or significant contract changes.

Currently many companies apply consumer payments to a cardholder's lowest interest rate balances first, making it impossible for the consumer to pay off high-rate debt. The bill bans this practice, requiring payments made in excess of the minimum to be allocated proportionally or to the balance with the highest interest rate.

"This bill levels the playing field between card issuers and cardholders by applying common-sense regulations that give consumers new protections," said Congressman Carnahan.

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